

**ASX ANNOUNCEMENT**

30 September 2021

**ANNUAL REPORT AND ASIC RELIEF NOTIFICATION**

South Harz Potash Ltd (ASX: SHP, "South Harz Potash", "The Company") advises that it is relying on the relief granted by ASIC in *ASIC Corporations (Extended Reporting and Lodgement Deadlines – Listed Entities) Instrument 2020/451* dated 15 May 2020, as extended by *ASIC Corporations (Amendment) Instrument 2021/315* ("ASIC Relief") to extend the lodgement date for its audited annual report required to be lodged with ASIC under section 319 of the *Corporations Act 2021 (Cth)*.

The Company advises that it takes advantage of the COVID-19 extension in relation to the filing of its audited annual report. The auditors had advised that while their audit procedures have largely been finalized, due to unforeseen challenges presented by COVID-19 conditions, certain internal documentation and quality assurance procedures remain to be completed before the audited annual report can be released to the ASX. The Company's unaudited annual report for 30 June 2021 is enclosed with this ASX announcement.

In accordance with the ASIC Relief and the ASX's class waiver "*Extended Reporting and Lodgement Deadlines*" under Listing Rule 18.1, the Company's annual report will be lodged on the earlier of the date of finalisation and 21 October 2021 (being 113 days after the end of the year) and a further announcement to the market will be immediately made if the Company becomes aware that there will be a material difference between its unaudited annual report and its audited annual report.

This announcement has been authorised by the Board of Directors of South Harz Potash Limited.

On behalf of South Harz Potash Limited,  
Dr Chris Gilchrist, Managing Director

**Investor & Media Enquiries****Dr Chris Gilchrist**

Managing Director  
South Harz Potash Ltd  
+353 87 687 9886; +61 451 367 630  
cgilchrist@southharzpotash.com

**Nathan Ryan**

Managing Director  
NWR Communications  
+61 420 582 887  
nathan.ryan@nwrcommunications.com.au

**Justine James / Harriet Jackson / Faye Calow**

Alma PR  
+44 203 405 0205  
shp@almapr.co.uk

**CONTACT DETAILS**

**W:** southharzpotash.com  
**E:** [info@southharzpotash.com](mailto:info@southharzpotash.com)  
**P:** +61 (08) 9481 0389

**ABN:** 64 153 414 852

**ASX Code:** SHP

**ASX Code (Options):** SHPO

**Frankfurt Code:** A2DWXX

**424.1M** Ordinary Shares

**160.7M** Unlisted Options

**46.2M** Listed Options

**4.1M** Performance Rights



## **South Harz Potash Limited (Formally: Davenport Resources Limited)**

**ABN 64 153 414 852**

### **Financial Report- 30 June 2021: Unaudited**

The Company will utilise the recently announced ASIC relief titled "ASIC Corporations (Extended Reporting and Lodgement Deadlines – Listed Entities) Instrument "21-082 MR" dated 23 April 2021 ("ASIC Relief") and the corresponding ASX Class Waiver titled "Extended Reporting and Lodgement Deadlines" under Listing Rule 18.1 to lodge its Annual Report subject to audit, and extend the deadline for lodgement of the audited Annual Report from 92 days to 113 days.

## Corporate directory

### Directors

Dr Chris Gilchrist  
Managing Director  
Rory Luff  
Non-Executive Director  
Dr Reinout Koopmans  
Non-Executive Director  
Hansjoerg Plaggemars  
Non-Executive Director  
Ian Farmer  
Non-Executive Chairman  
Len Jubber  
Non-Executive Director

### Company secretary

Amanda Wilton-Heald

### Registered office

Level 11  
216 St Georges Terrace Perth WA 6000 Australia (08) 9481 0389

### Principal place of business

Level 11  
216 St Georges Terrace Perth WA 6000 Australia (08) 9481 0389

### Auditor

BDO Audit Pty Ltd.  
Collins Square Towers 4,  
Level 18, 727 Collins Street  
Melbourne VIC 3008  
Australia

### Solicitors

Steinpreis Paganin, 16 Milligan Street, Perth WA 6000  
Australia

### Bankers

Barclays Bank

### Stock exchange listing

South Harz Potash Limited shares are listed on the  
Australian Securities Exchange (ASX code: SHP)

### Share registry

Automic Registry Services Pty Ltd Level 2  
267 St Georges Terrace Perth WA 6000  
+61 8 9324 2099

### Website address

[www.southharzpotash.com](http://www.southharzpotash.com)

### Corporate Governance Statement

The Company's Corporate Governance Statement is  
available on the Company's website.

## Chairman's letter

Dear Shareholder,

This 2021 Annual Report is my first since taking on the Chairmanship of South Harz Potash Limited (ASX: SHP, formerly "Davenport Resources"). I am thrilled to be back working in the resources sector and leading South Harz through such an exciting phase in its development. It gives me great pleasure to report on our progress in developing our world class European potash assets.

South Harz Potash has undergone a transformation over the past 12 months, closing a A\$10 million placement, bringing new skills to our Board and management, and completing a company name change to better reflect our asset base in the South Harz region of Thuringen in Germany. The placement of new equity was completed in January 2021. It was very well supported, and we are grateful to our shareholders for their ongoing backing and belief in both the quality of our assets and your Company's ability to deliver value through their development.

Our projects in the South Harz region of Germany are globally significant, comprising an inferred resource of a massive 5.3 billion tonnes which contains 567 million tonnes of K<sub>2</sub>O. This represents Western Europe's largest declared resource of muriate of potash (MOP), and we will be developing these resources at a time when the demand for potash needed to feed the world is forecast to show sustainable growth. MOP's short and long-term price fundamentals have strengthened in recent months. There is growing global interest in potash and BHP's decision to move ahead with the Canadian Jansen project, with a US\$5.7 billion investment, is an exciting move which highlights the importance of potash as a 'future facing commodity' with attractive structural attributes. Global population growth and finite available arable land mean that MOP and its ability to boost crop yields will play a vital role in the expansion of the world's food supply for years to come. The Canadian producers are well located to meet demand growth in the Americas and China, but lengthy rail and sea transport distances and the CO<sub>2</sub> associated therewith means that they are not economically suited to supply European markets. We believe our projects are better placed to meet growing European demand; a market where existing Western European supply is set to contract. We see space in this market for SHP as a 'local' MOP producer that has environmental, logistical and geopolitical competitive advantage over both Canadian and Eastern European supply, and we believe your company will be a strategically important source for this market over the coming decades.

Ohmgebirge, the first of our projects, has an inferred resource of 325 million tonnes containing 42 million tonnes of K<sub>2</sub>O at an average grade of 13%. It is the smallest of our projects, however, both mining and processing at Ohmgebirge are anticipated to be technically straightforward and its location is well serviced by existing skills availability, road, rail, and utility supply. As such, we anticipate that Ohmgebirge is the ideal 'starter project' as it is anticipated to be very capital and cost efficient by industry standards. Authority from the TLUBN (Thüringer Landesamt für Umwelt, Bergbau und Naturschutz) to drill Ohmgebirge is awaited shortly. Once authority is received from the TLUBN we will complete two confirmatory holes which will enable us to verify existing historical drilling data to upgrade our resource and deliver a Scoping Study based on a Mineral Resource Estimate ("MRE") that meets JORC 2012 Indicated category standards in the first quarter of calendar 2022.

Our license areas in total cover some 659 square kilometres and including Ohmgebirge, we have identified four potential projects. Our vast database of geological information includes the results of some 300 boreholes drilled mainly in the 1970's and 1980's covering all four projects. As reported last year, technical studies have been successfully completed for each of these projects and during the forthcoming year, we will consider how to take the remaining three projects through the next steps of their development.

We have made several changes to the Board of Directors. Robert Van der Laan stepped down as Chief Financial Officer on March 1, 2021, and I would like to thank Bob for his contribution. Andrew Robertson, a highly experienced UK-based finance executive has joined the company as his replacement. Len Jubber was appointed as a non-executive director to the board on March 1, 2021. Len brings a wealth of technical experience, and we are already benefiting from his valuable contribution. I would like to take this opportunity to thank my fellow Directors for their support since my appointment and to also thank our team, led by our Managing Director Chris Gilchrist, for their considerable efforts over the past 12 months.

As we look to the future and execute the delivery of our ambitious plans to develop western Europe's largest potash resource safely and responsibly, the road ahead for SHP will be demanding. But we have an excellent team, and I look forward to keeping you updated on our progress.

Ian Farmer

Chairman

Date: 30 September 2021.

## Table of Contents

Review of activities	6
Directors' report	13
Auditor's independence declaration	29
Financial report	30
Statement of profit or loss and other comprehensive income for the year ended 30 June 2021	31
Statement of financial position as at 30 June 2021	32
Statement of changes in equity for the year ended 30 June 2021	33
Statement of cash flows for the year ended 30 June 2021	34
Notes to the financial statements 30 June 2021	35
Directors' declaration	56
INDEPENDENT AUDITOR'S REPORT	57
Tenements	60
Shareholder information	60

## Review of activities

South Harz Potash Limited (ASX: SHP) (formerly “Davenport Resources”) is continuing to develop a portfolio of potash projects in the South Harz region of Germany, encompassing 659km<sup>2</sup>, with a resource of 5.3 billion tonnes (grading 10.8% K<sub>2</sub>O) within the JORC Inferred category<sup>1</sup>.

It is contained within a well-defined potash basin which has been mined for fertiliser salts for more than 100 years. SHP holds three perpetual mining licences, Ohmgebirge, Mühlhausen-Nohra and Ebeleben as well as two exploration licences Küllstedt and Gräfentonna (Figure 1) and has identified at least four standalone projects within its portfolio at this stage. SHP’s initial development focus is the Ohmgebirge project.

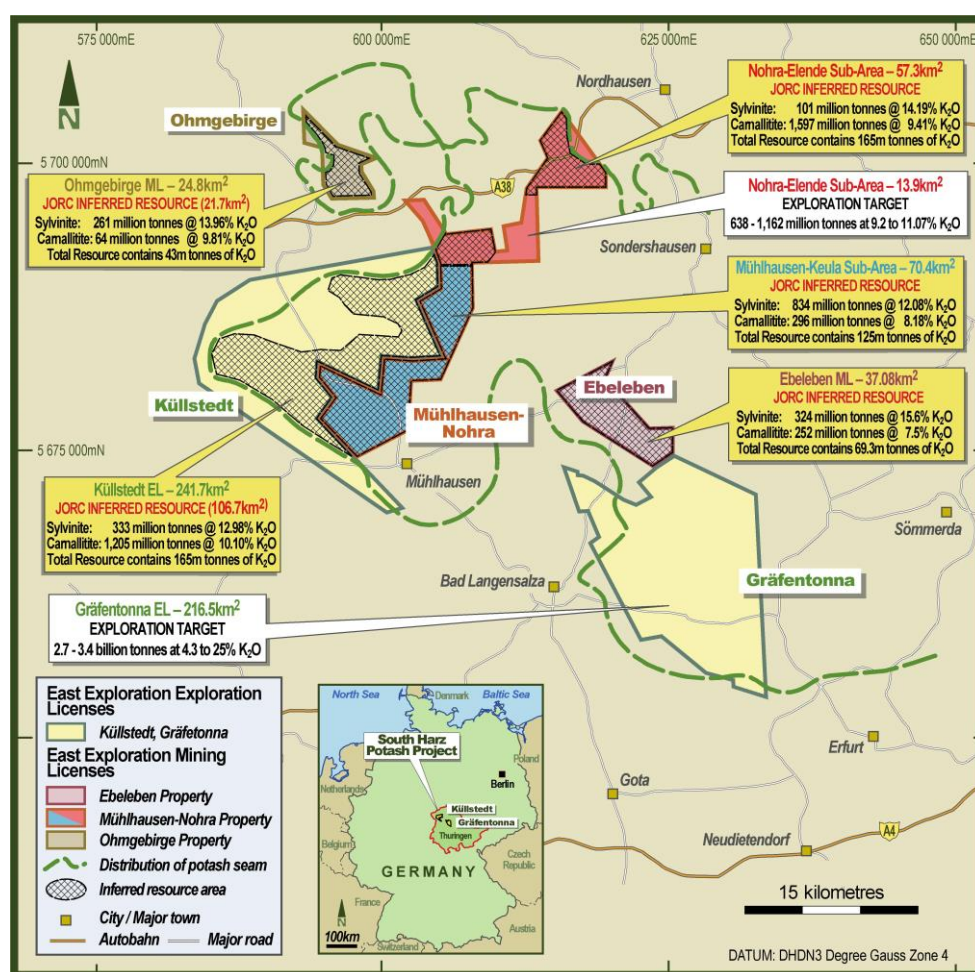


Figure 1 - Map depicting location of South Harz Potash's mining and exploration license areas.

During the period, the Company continued to evaluate and develop its extensive suite of potential potash projects within the portfolio it holds under license in the central German state of Thüringen.

<sup>1</sup> In accordance with ASX listing rule 5.23, the Company is not aware of any new information or data that materially affects the information included in the previous market announcement (ASX announcements 31 June 2021) and that all material assumptions and technical parameters underpinning the estimate in the previous market announcement continue to apply and have not materially changed.



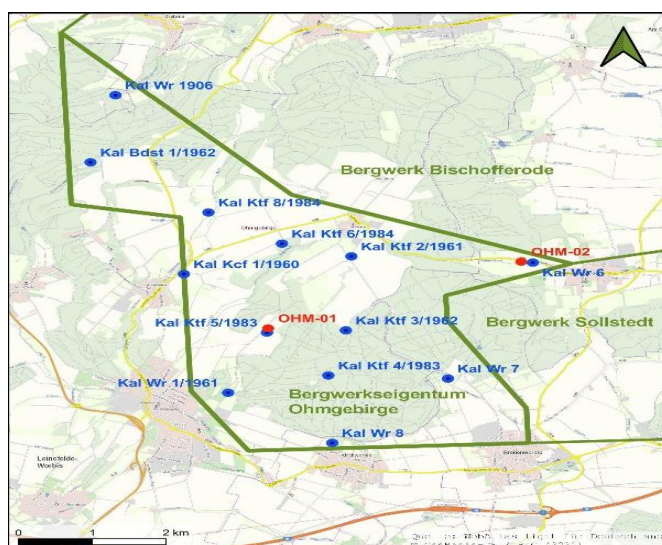
### Ohmgebirge

Following a detailed review of these four potential projects, the Company selected Ohmgebirge as the spearhead project owing to its relative shallowness (from 650m below surface), tonnage, grade (325Mt grading 13.1% K<sub>2</sub>O)<sup>2</sup>, the license area's proximity to infrastructure including abandoned mines for future tailings disposal and to derelict industrial land from adjacent former potash mines. With the combination of these attributes, the Company chose Ohmgebirge as the preferred location from which to initiate the development of its extensive South Harz potash field.

In accordance with the Competent Person recommendations<sup>1,2</sup>, the Company plans to drill twin confirmatory holes within the Ohmgebirge area in order to verify the results from the historic drillholes used to calculate the JORC Inferred resource already declared. It is intended that this will lead to a revised mineral resource estimate ("MRE") where the majority of the Inferred resource is upgraded to the Indicated category. This, in turn, will permit the completion of a technical and economic study by the first Quarter of 2022 and open the way for transition to a definitive feasibility study for completion in 2023.

SHP appointed specialist deep drilling company, Angers, to drill the first of the two confirmatory twin holes following receipt of landowner and tenant approval. The appointment enabled the submission of the supplementary details required as the final step in the first hole's regulatory process. These approvals were hampered by COVID restrictions which have led to delays.

Following a successful permitting application, which has been guided by potash specialist consultants ERCOSPLAN Kali-Ingenieurbuero ("Ercosplan"), we are now waiting on the required drilling permits so construction of the drill pad and drilling of the first hole, OHM-02, can commence.



**Figure 2: Ohmgebirge mining licence area showing location of drill holes. The two confirmatory drill sites OHM-1 and OHM-2 are shown in Red, the locations of the historic drill holes are shown in Blue. SHP possesses all exploration data from over 300 historic drill holes across the region meaning that further resource upgrades can be achieved with the minimum of additional drilling.**

The first of two confirmatory drill holes is located within the Ohmgebirge Mining License area, close to the village of Haynrode. Geotechnical ground surveying was completed in preparation for drill pad construction in addition to the environmental impact assessments required by the permitting authority. The drillhole is planned to a depth of 665m which will fully penetrate the known potash horizon. Downhole geophysical measurements will be made within the hole and the drill core will be assayed by two independent laboratories for potash content.

The second hole, OHM-01, which is awaiting drilling approval, will be drilled immediately after the first, either late 2021 or early 2022.

<sup>2</sup> ASX announcement 23rd December 2019, Appendix 1, JORC Table 1 "Further Work"



## South Harz Potash Limited

### *Ohmgebirge scoping study*

The Company finalised discussions with providers of the various components of the Ohmgebirge scoping study and work is due to commence shortly

The scoping study will include a detailed resource assessment by Micon International Co Ltd ("Micon"), and the inclusion of the results from the twin drill holes leading to a revised MRE. The bulk of the scoping study will be compiled in advance of the drill core assays thereby minimising the time between drilling completion and study release.

The upgraded MRE to the Indicated resource status will allow South Harz Potash to report technical and economic information on Ohmgebirge for the first time. In addition to the resource upgrade, the study will also include details of the proposed mining and processing methods and an update of both capital and operating costs. The possibility of marketing a high-grade salt from the Ohmgebirge property will be further investigated as part of the scoping study together with a preliminary environmental assessment and a focused work programme for all aspects of the DFS. In this respect, the Scoping Study will be prepared with significantly more rigour than is normally required and, allied with the low resource risk and extraction methods having already been selected through a careful process, the Company is ideally placed to advance rapidly to the DFS stage.

### **Nohra-Elende**

Re-modelling of historic drillhole results within the Nohra-Elende area led to the discovery of a large kieserite ( $\text{MgSO}_4 \cdot \text{nH}_2\text{O}$  – magnesium sulphate) resource containing 768 Mt at an average grade of 8.1%  $\text{MgSO}_4$  with intersections containing up to 20%  $\text{MgSO}_4$ <sup>3</sup>. The resource area contains approximately 72 million tonnes of kieserite, which is a valuable fertiliser nutrient. It provides a source of both readily water-soluble magnesium and Sulphur, which are commonly depleted from soils in Europe and around the world.

The production of kieserite would enable the Company to produce magnesium-containing fertilizer components which retail at higher values than potash alone. Additionally, the chemical reaction between MOP and kieserite leads to the production of SOP which is marketed at a premium, albeit within a smaller market than MOP. SHP plans to conduct further technical and market investigations in due course.

Aside from kieserite in the case of Nohra-Elende, resources in all the mining license areas comprise chiefly potash, anhydrite ( $\text{CaSO}_4$ ) and salt ( $\text{NaCl}$ ) with minor amounts of clay and other insolubles. As has been advised by world renowned potash processing consultant, K-Utec AG, a leaching process is preferred to the alternative of froth flotation in order to separate chloridic and sulphatic minerals prior to refining each process stream. While the anhydrite and other insolubles are placed back into the mine as waste, the salt resulting from the recrystallising process is advised by K-Utec AG to be of industrial grade (> 99%  $\text{NaCl}$ ) and could be sold as an industrial-grade product. A European salt marketing study was completed, and potential opportunities were identified.

### **Other licenses**

Exploration licenses for the Küllstedt and Gräfentonna areas were extended by the Thüringian licencing authority TLBUN during 2019 and will remain available to the Company until 2023 at which time they may be further extended by three years upon application. An annual report of exploration activities was submitted to the licensing authority in January 2021.

### **Potash market outlook**

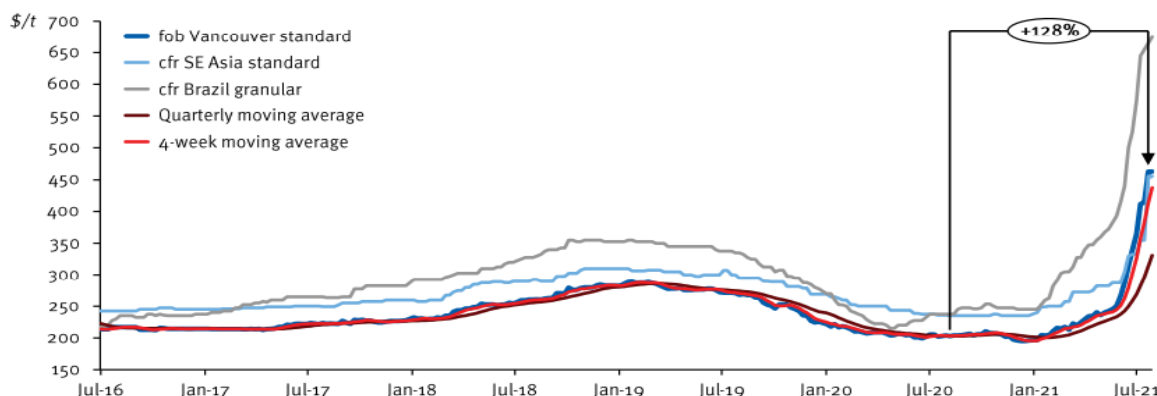
The potash market saw improvement towards the end of FY21 as post-COVID food security fears fueled substantial crop price increases which, in turn, drove fertilizer sales and prices upwards. Market specialists Argus Media have advised in their August 2021 Quarterly Report that contract MOP (Standard Muriate of Potash) prices in excess of US\$350 per tonne are forecast for the next 12 months and spot prices could reach in excess of US\$500 per tonne during 2022. Existing contract prices are increasingly becoming outliers although China, having low inventories at present, are forecast to settle any new

---

<sup>3</sup> ASX announcement 23 September 2020 – *DAV announces major sulphate discovery – German licence area*

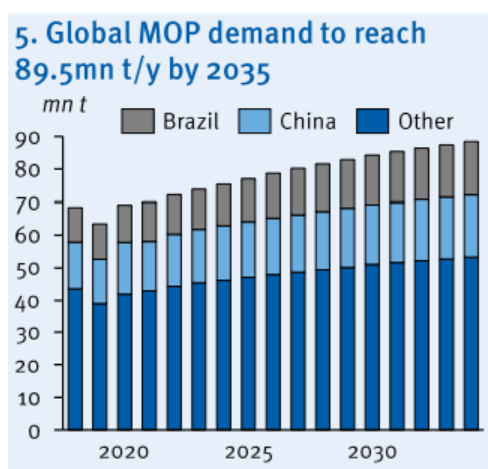
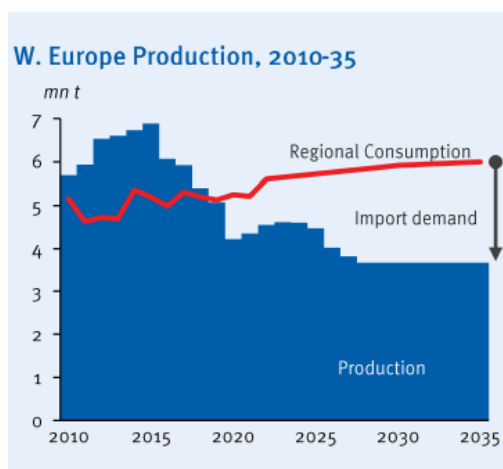
## South Harz Potash Limited

12 month contracts early, in which it is expected this will lead the way for global contract prices at significantly higher levels than seen since 2009.



**Figure 3: Current MOP spot market pricing trend. Contract prices are forecast to follow during Q4 2021. Courtesy, Argus Media, August 2021.**

Belief in the forecast growth in potash demand has been signalled strongly by BHP who, in August of this year, announced a US\$5.7 B investment in the Jansen potash project in Canada. This project is targeting initially a full MOP output of 4.35 Mt/a by 2031, however it also has scope for further brownfield expansions owing to its massive resources. The addition of over 4 Mt capacity, however, will not significantly affect SHP's ability to market an initial 1 Mt/a from its Ohmgebirge project due to the geographical advantage SHP holds in terms of European supply. With freight rates currently reaching US\$30 per tonne and with a high carbon cost associated with a 19,000 km sea voyage, Canadian potash is more likely to continue to be marketed in the Americas and China.



**Figures 4 and 5: Europe is forecast to rely increasingly on imported potash unless a new production source is found within Europe. The global potash demand is forecast to reach 89.5 Mt/a by 2035, hence BHP's initial output of 4.35 Mt/a will not cause an imbalance. Courtesy, Argus Media, August 2021.**

The improving long-term outlook for potash provides a favorable backdrop for the development of the first of SHP's exciting potash projects within the heart of Europe.

## Corporate

### Capital raising

The Company announced it had issued 16,666,668 fully paid ordinary shares at an issue price of \$0.045 each and successfully raised A\$750,000 via s708 placement (Tranche 1). The placement shares were issued with free attaching unlisted options on a 1:2 basis, with an exercise price of \$0.08 and expiring 24 months from the date of issue.

The Company further issued 205,722,223 fully paid ordinary shares at an issue price of \$0.045 each and successfully raised A\$9,250,000 via s708 placement (Tranche 2). The placement shares were issued with free attaching unlisted options on a 1:2 basis, with an exercise price of \$0.08 and expiring 24 months from the date of issue. The capital raise was concluded in January and all funds were duly received.

The Company also issued 1,718,986 fully paid ordinary shares to the directors and senior management under the management fee and a remuneration sacrifice share plan.

### Board changes

The Company appointed Mr Len Jubber as a non-executive director during the year to replace Mr R Van Der Laan who had stepped down. Len Jubber was Managing Director & Chief Executive Officer of Bannerman Resources Ltd, an ASX listed uranium development company for eight years. Prior roles include Managing Director/Chief Executive of Perilya Ltd, an ASX listed zinc and lead producer, and Chief Operating Officer of Oceana Gold Ltd. He started his career with Rio Tinto in Namibia. In a mining career spanning more than 30 years, he brings a wealth of technical, commercial and corporate experience. Len Jubber is considered to be an independent Director and heads the Technical Committee. Mr P McManus resigned from the position of Non-Executive Director on 25 September 2020.

### Appointment of Chief Financial Officer

In May 2021, the Company appointed UK-based Andrew Robertson as its Chief Financial Officer. Mr Robertson is an experienced CFO who brings a wealth of financial and corporate experience to the Company. He has previously been instrumental in restructuring companies, stock exchange listings, equity and debt raising and numerous systems developments and business efficiency projects. Previous CFO positions held include Ecometals Limited (TSXV), African Eagle PLC, White Tiger Gold (TSX) and Maple Minerals (Canada).

### Change of Company name and ASX code

During the year, the Company moved to change its name to South Harz Potash Limited following the change of its 100%-owned German subsidiary to SüdHarzKali GmbH (previously East Exploration GmbH).

The new name is associated with the region in Germany where the Company's assets are situated, together with the intended end-product, will better represent the Company. The Company's world-class potash projects are located in the South Harz region of Thüringia.

Following shareholder approval at the May 2021 General Meeting, the Company's name officially changed from Davenport Resources to South Harz Potash with the Australian Securities and Investments Commission (ASIC). The company's ticker code on the Australian Securities Exchange (ASX) became SHP.

The company simultaneously announced the launch of its new website, [www.southharzpotash.com](http://www.southharzpotash.com) which is now available in both English and German.

## Director Share Options and Remuneration

SHP's Board resolved to introduce a Share Options Scheme which aims to add a performance-linked incentive component to the remuneration of the Board and senior executives of the Company. The scheme is an integral long-term element of the Company's remuneration architecture, which when taken together with competitive salaries and short-term incentives, is designed to enable the Company to attract, retain, motivate and reward performance by team members in their respective roles.

The Company previously issued Rights under a Performance Rights Plan in 2019, however no further new Rights allocations will be made under that scheme.

The Company proposed the number of Share Options issued to each Director is as follows:

- 1,750,000 to Mr Len Jubber
- 1,400,000 to Dr Chris Gilchrist
- 1,250,000 to Mr Ian Farmer
- 750,000 to Dr Reinout Koopmans
- 750,000 to Mr Rory Luff
- 750,000 to Mr Hansjörg Plaggemars.

The Option exercise price is set at a 100% premium to the 20-day VWAP on 29th March 2021 at A\$0.1776. Executive and Non-Executive Director options are exercisable from when they vest (once granted). All options will expire five years after the issue date, except 1 million of the 'sign on' options allocated to Mr. Len Jubber that are exercisable from when they vest (once granted) and expire four years after the date of issue. Shareholders approved the Plan at a General Meeting on 4 May 2021.

### Directors' fees

From 1 March 2021, Non-Executive Directors fees increased from A\$30,000 per annum to A\$40,000 per annum. Dr Gilchrist's salary was adjusted downwards to A\$300,000 per annum from the same date. A short-term incentive bonus was introduced payable at the Board's discretion at the end of the calendar year based on performance criteria.

### Company Auditor change

SHP appointed BDO Audit Pty Ltd as the Company's Auditors (ASX Announcement 21 July 2021). This appointment follows the resignation of Walker Wayland Advantage Audit Partnership and ASIC's consent to Walker Wayland Advantage Audit Partnership's resignation. The transition of Auditor occurred as part of a review of the Company's corporate strategy – BDO was selected after considering proposals from a number of audit firms.

### Cash at bank

As at 30 June 2021, SHP held just over A\$8.2m. These funds will be spent on the resource drilling and the Ohmgebirge scoping study.

### ESG and risk

SHP aims to establish world-class ESG credentials and has published an ESG policy to this effect. Progress has subsequently been made in identifying an experienced consultancy to assist the Company in its initial construction of an ESG management system.

SHP is at an early stage in the development of its significant potash resources in Thuringen state. Therefore, at this stage our focus in terms of environmental and social impact of our operations has been to engage with the local communities to give assurances on the potential impact of our operations. A full independent assessment will be carried out as part of our Defined Feasibility study due to commence in the next calendar year. This will also address health and safety issues, labour standards and environmental legislation compliance considerations, as well as confirm our carbon footprint and climate change review. Management and Directors will be attending an ESG workshop at the end of this year in order to further

## South Harz Potash Limited

strengthen our ESG policies and our ESG performance which the Board keeps in strong focus to drive improvements where necessary. The Board's focus will therefore be on our local communities, the safety of our staff, the protection of our environment, and good governance to protect our shareholders and our business going forward.

In terms of governance, we have recently reviewed and updated our Corporate Governance procedures and policies in line with the latest ASX Corporate Governance Principles and Recommendations – 4th Edition. All members of the Board believe strongly in the importance of good corporate governance to assist in achieving objectives and in accountability to stakeholders. The Board meets every two months and has the following sub committees: Remuneration, Nominations, Audit and Technical. The Chair has developed a board skills matrix, which is reviewed by the Nominations Committee, in order to help assess its key competencies and any skills gaps that may exist so as to determine ways of dealing with those. The Chair also undertakes annual assessments of individual Board members in order to evaluate overall Board performance. We have also developed a Risk Register which is reviewed regularly by the Board and Audit Committee and will be an interactive tool to recognise, mitigate and manage key risks.

## Directors' report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "consolidated entity" consisting of South Harz Potash Limited (referred to hereafter as the "company" or "parent entity" and the entities it controlled for the year ended 30 June 2021.

### DIRECTORS

The names of Directors who held office during or since the end of the year:

Name	Title
Ian Farmer	Independent Non-Executive Chairman (appointed 7 September 2020)
Patrick McManus	Independent Non-Executive Chairman (resigned 25 September 2020)
Chris Gilchrist	Managing Director
Reinout Koopmans	Independent Non-Executive Director (changed from Independent Non-Executive Chairman on 7 September 2020)
Rory Luff	Non-Independent Non-Executive Director
Hansjoerg Plaggemars	Independent Non-Executive Director
Robert Van der Laan	Independent Non-Executive Director (resigned 1 March 2021)
Len Jubber	Independent Non-Executive Director (appointed 1 March 2021)

### COMPANY SECRETARY

Amanda Wilton-Heald

### PRINCIPAL ACTIVITIES

The development of mineral exploration assets.

### DIVIDENDS

There were no dividends declared or paid during the current or previous financial year.

### REVIEW OF OPERATIONS

This is contained in the above activities report. The loss for the consolidating entity amounted to A\$2,079,478 (2020: A\$1,900,640).

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Apart from the below mentioned capital raise, there were no other significant changes during the year.

### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

At the time of this report the Company had received landowner and tenant consents to drill a second hole at its Ohmgebirge license area subject to permitting approval.

### TARGETED DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Subject to permit consent the Company aims to carry out drilling as mentioned above and to carry out a scoping study ahead of a Defined Feasibility Study next year.

### ENVIRONMENTAL REGULATION

The consolidated entity is cogniscent of the strict environmental regulation in Germany. There have been no breaches.

## INDEMNITY AND INSURANCE OF OFFICERS AND AUDITOR

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to ensure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

## CORPORATE

### Capital Raising Activities

In June 2020, the Company announced a Share Purchase Plan ("SPP"). The SPP gave eligible shareholders the opportunity to each acquire up to A\$30,000 worth of South Harz Potash shares at A\$0.04 per share, representing an 18% discount to the volume weighted average market price ("VWAP") of SHP's Shares quoted on the ASX during the five trading days immediately prior to announcement of the SPP. While the SPP was due to close on 29 June 2020, coinciding with the end of the financial year, the Directors extended the deadline to the close of business on 1 July 2020. Funds raised totaled A\$547,000. The new shares issued under the SPP were allotted on 3 July 2020, with holding statements dispatched to participating shareholders.

South Harz Potash raised a further A\$297,500 through a placement in July 2020, allotted within South Harz Potash's entitlement under ASX Listing Rule 7.1. South Harz Potash used the funds raised for advisory services, resource consultancy, investor relations and working capital costs whilst it seeks to progress its attractive potash projects in Germany.

In January and February 2021, the Company issued 205,722,223 fully paid ordinary shares at an issue price of \$0.045 each and successfully raised A\$9,250,000 via s708 placement (Tranche 2). The placement shares were issued with free attaching unlisted options on a 1:2 basis, with an exercise price of \$0.08 and expiring 24 months from the date of issue.

During March, April and May 2021 there was a total of 951,705 options converted raising \$76,136.

### Board Changes

On 7th September 2020, the Company announced that it had appointed Mr Ian Farmer as Non-Executive Chairman and on 25<sup>th</sup> September Mr Robert Van der Laan as a Non-Executive Director with Mr P McManus resigning on 25 September 2020.

On 1 March 2021, Robert Van der Laan resigned as a Non-Executive Director and Len Jubber, an engineer was appointed to the Board as a Non-Executive Director.



**DIRECTORS' QUALIFICATIONS AND EXPERIENCE**

The Directors' qualifications and experience are set out below.

**Current Directors**

Director	Details
<b>Ian Farmer</b>	
Position	Independent Non-Executive Chairman
Appointment Date	7 September 2020
Resignation Date	N/A
Length of Service	1 year
Biography	Experience and expertise: Mr Farmer is UK based, highly experienced mining executive. He served as CEO of Lonmin, the third largest platinum miner globally, between 2008 and 2012, where he oversaw a period of significant transformation, both operationally and financially. During his 26 years at Lonmin and its parent company Lonrho, Mr Farmer held various other financial and strategic positions. Mr Farmer led the acquisition of various junior mining projects and integrated them into the group.
Committee Memberships	Member of Audit and Risk Committee Member of Remuneration Committee Member of Technical Committee
Current ASX Listed Directorships	N/A
Former ASX Listed Directorships	N/A
<b>Dr Chris Gilchrist</b>	
Position	Managing Director
Appointment Date	28 February 2017
Resignation Date	N/A
Length of Service	4 years 3 months
Biography	Experience and expertise: Chris Gilchrist is a highly experienced international mining executive with over 35 years mining management and director level experience. He has successfully built and managed large mining operations in Europe and Africa. Dr Gilchrist has significant experience in potash mining, processing and marketing. He was General Manager and Operations Director for Cleveland Potash Limited (UK) now part of the Israel Chemicals group. From 2011 to 2014, he was a Non-Executive Director of South Boulder Mines (now Danakali Ltd) managing feasibility work on the Colluli potash project in Eritrea. More recently he has acted as Project Manager and adviser to Circum Minerals on their Ethiopian potash project.
Committee Memberships	Technical Committee
Current ASX Listed Directorships	N/A
Former ASX Listed Directorships	N/A

<b>Dr Reinout Koopmans</b>	
Position	Independent Non-Executive Director
Appointment Date	8 January 2019
Resignation Date	N/A
Length of Service	2 years 6 months
Biography	Dr Koopmans spent 15 years in investment banking, based in London. He was responsible globally for public equity raising for natural resource companies at Deutsche Bank and he led the European equity capital markets team at Jefferies International. In the 1990's, Reinout was a management consultant with McKinsey & Co in Germany and South-East Asia. He has significant business experience in Germany. Reinout has a PhD and master's degree from the London School of Economics, and a degree from Erasmus University, Rotterdam.
Committee Memberships	Member of Nomination Committee Chair of Remuneration Committee
Current ASX Listed Directorships	N/A
Former ASX Listed Directorships	N/A
<b>Rory Luff</b>	
Position	Non-Independent Non-Executive Director
Appointment Date	3 June 2016
Resignation Date	N/A
Length of Service	5 years 1 month
Biography	Rory Luff is the founder of BW Equities, a specialist Melbourne equities advisory firm and has over 15 years' experience in the financial services industry. Rory has spent most of his career in the financial markets advising resources companies on capital raisings and financial markets strategy.
Committee Memberships	Member of Audit and Risk Committee Chair of Nomination Committee Member of Remuneration Committee
Current ASX Listed Directorships	N/A
Former ASX Listed Directorships	N/A

<b>Hansjoerg Plaggemars</b>	
Position	Non-Independent Non-Executive Director
Appointment Date	1 October 2019
Resignation Date	N/A
Length of Service	1 year 9 months
Biography	Mr Plaggemars is an experienced company director with a deep background in corporate finance, corporate strategy and governance. He has served on the Board of Directors of many listed and unlisted companies in a variety of industries including retail, mining, agriculture, shipping, construction and investments. This includes the Board of Deutsche Balaton AG and Delphi Unternehmensberatung AG, which has become a substantial shareholder in the Company.
Committee Memberships	Chair of Audit and Risk Committee Member of Nomination Committee
Current ASX Listed Directorships	Altech Chemicals Limited Azure Minerals Limited Kin Mining NL PNX Metals Limited Wiluna Mining Corporation Limited Gascoyne Resources Limited
Former ASX Listed Directorships	N/A
<b>Len Jubber</b>	
Position	Independent Non-Executive Director
Appointment Date	1 March 2021
Resignation Date	N/A
Length of Service	4 months
Biography	Len Jubber, a Civil Engineer, was Chief Executive of Bannerman Resources Ltd, a uranium development company for eight years. Prior roles include Chief Executive of Perilya Ltd, a zinc and lead producer, and Chief Operating Officer of Oceana Gold Ltd. In a mining career spanning more than 30 years, he brings a wealth of technical, commercial and corporate experience.
Committee Memberships	Member of Nomination Committee Chair of Technical Committee
Current ASX Listed Directorships	N/A
Former ASX Listed Directorships	N/A

## Former Directors

Director	Details
<b>Patrick McManus</b>	
Position	Independent Non-Executive Chairman
Appointment Date	9 January 2017
Resignation Date	25 September 2020
Length of Service	3 years 8 months
Biography	Patrick McManus has a degree in mineral processing and an MBA. A mining professional for more than 30 years, his work has taken him to many sites within Australia and overseas, including Eneabba and the Murray Basin in Australia, and Madagascar, Indonesia and the United States. During that time, Patrick has worked in operational, technical and corporate roles for RioTinto, RGC Limited and Bemax Resources Limited. He was a founding director and, from January 2007 to March 2010, managing director of ASX-listed Corvette Resources Limited. Patrick McManus was the Managing Director of Parkway Minerals NL.
Committee Memberships	Chair of Audit and Risk Committee Member of Nomination Committee Member of Remuneration Committee
<b>Robert Van der Laan</b>	
Position	Independent Non-Executive Director
Appointment Date	25 September 2020
Resignation Date	1 March 2021
Length of Service	5 months
Biography	Mr Robert Van der Laan is a qualified accountant with more than 30 years' experience in the management of financial and risk management systems of public and private companies, in the resources and engineering sectors.
Committee Memberships	N/A

## COMPANY SECRETARY

Company Secretary	Details
<b>Amanda Wilton-Heald</b>	
Qualifications	BCom, CA
Position	Company Secretary
Appointment Date	1 January 2019
Resignation Date	N/A
Biography	Amanda Wilton-Heald is a Chartered Accountant with over 20 years of accounting, auditing (of both listed and non-listed companies) and company secretarial experience in both Australia and the UK. Amanda has been involved in the listing of junior explorer companies on the ASX and has experience in corporate advisory and company secretarial services.

## MEETINGS OF DIRECTORS

The number of meetings held during the year and the number of meetings attended by each Director was as follows:

	Board	Audit & Risk Committee	Nomination Committee	Remuneration Committee	Technical Committee
Number of Meetings Held	8	2	4	5	1
Number of Meetings Attended:					
Ian Farmer <sup>4</sup>	7	2	N/A	4	1
Patrick McManus <sup>5</sup>	1	N/A	-	1	N/A
Chris Gilchrist	8	N/A	N/A	N/A	1
Reinout Koopmans	8	N/A	4	5	N/A
Rory Luff	8	2	4	4	N/A
Hansjoerg Plaggemars	8	2	4	N/A	N/A
Robert Van der Laan <sup>6</sup>	4	N/A	N/A	N/A	N/A
Len Jubber <sup>7</sup>	2	N/A	-	N/A	1

All Directors were eligible to attend all Board Meetings held when they were in office.

## SHARE OPTIONS

As at the date of this report:

No. Options	Exercise Price	Expiry Date	Listed / Unlisted
46,175,789	\$0.20	31-Jul-23	Listed
8,333,334	\$0.08	02-Dec-22	Unlisted
101,159,407	\$0.08	25-Jan-23	Unlisted
3,700,000	\$0.20	31-Jul-23	Unlisted
7,500,000	\$0.20	11-Sep-23	Unlisted
8,333,334	\$0.0675	25-Jan-24	Unlisted
8,333,333	\$0.09	25-Jan-24	Unlisted
8,333,333	\$0.1125	25-Jan-24	Unlisted
3,500,000	\$0.08	02-Dec-24	Unlisted
3,500,000	\$0.12	02-Dec-24	Unlisted
1,000,000	\$Nil	27-May-25	Unlisted
6,824,711	\$0.203	27-May-26	Unlisted
192,069	\$0.1511	05-Aug-26	Unlisted

## SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

951,705 shares as a result of the exercise of the options were issued as at the date of this report.

<sup>4</sup> Appointed 7 September 2020.

<sup>5</sup> Resigned 25 September 2020.

<sup>6</sup> Appointed 25 September 2020; resigned 1 March 2021.

<sup>7</sup> Appointed 1 March 2021.

## DIRECTORS' AND KMP INTERESTS AND BENEFITS

The movement during the reporting period in the number of options over ordinary shares of the Company held directly, indirectly or beneficially, by each Director or key management personnel, including their personally related entities is as follows:

Director	No. Options Held at 30 June 2020	Security Based Payments <sup>8</sup>	Exercise of Options	Other Changes	No. Options Held at 30 June 2021	No. Options Held at Date of this Report
<b>Ian Farmer<sup>9</sup></b>						
Directly	-	8,250,000	-	222,222	8,472,222	8,472,222
Indirectly	-	-	-	-	-	-
<b>Patrick McManus<sup>10</sup></b>						
Directly	-	-	-	-	-	N/A
Indirectly	-	-	-	-	-	N/A
<b>Chris Gilchrist</b>						
Directly	-	-	-	-	-	-
Indirectly	595,238	1,477,741	-	111,111	2,184,090	2,184,090
<b>Reinout Koopmans</b>						
Directly	-	750,000	-	-	750,000	750,000
Indirectly	-	-	-	-	-	-
<b>Rory Luff</b>						
Directly	-	750,000	-	-	750,000	750,000
Indirectly	1,726,190	-	-	5,880,556	7,606,746	7,606,746
<b>Hansjoerg Plaggemars</b>						
Directly	-	-	-	-	-	-
Indirectly	-	750,000	-	222,222	972,222	972,222
<b>Robert Van der Laan<sup>11</sup></b>						
Directly	-	-	-	-	-	N/A
Indirectly	571,430	-	-	1,000,000	1,571,430	N/A
<b>Len Jubber<sup>12</sup></b>						
Directly	-	-	-	-	-	-
Indirectly	-	1,750,000	-	-	1,750,000	1,750,000
<b>Jason Wilkinson</b>						
Directly	-	-	-	-	-	-
Indirectly	297,619	740,365	-	-	1,037,984	1,037,984
<b>Andrew Robertson</b>						
Directly	-	356,605	-	-	356,605	356,605
Indirectly	-	-	-	-	-	-
<b>Total</b>	<b>3,190,477</b>	<b>14,824,711</b>	<b>-</b>	<b>7,436,111</b>	<b>25,451,299</b>	<b>23,879,869</b>

<sup>8</sup> Shareholder approval was received at the 27 November 2020 Annual General Meeting and at the 4 May 2021 General Meeting.

<sup>9</sup> Appointed 7 September 2020.

<sup>10</sup> Resigned 25 September 2020.

<sup>11</sup> Appointed 25 September 2020; resigned 1 March 2021.

<sup>12</sup> Appointed 1 March 2021.

The movement during the reporting period in the number of Series B, C, D, E, F, G, H, I, J & K performance rights of the Company held directly, indirectly or beneficially, by each Director or key management personnel, including their personally related entities is as follows:

Director	No. Performance Rights Held at 30 June 2020	Security Based Payments	Conversion of Performance Rights	Expiration / Cancellation of Performance Rights	No. Performance Rights Held at 30 June 2021	No. Performance Rights Held at Date of this Report
<b>Ian Farmer<sup>13</sup></b>						
Directly	-	-	-	-	-	-
Indirectly	-	-	-	-	-	-
<b>Patrick McManus<sup>14</sup></b>						
Directly	-	-	-	-	-	N/A
Indirectly	866,250	-	-	(866,250)	-	N/A
<b>Chris Gilchrist</b>						
Directly	2,475,000	-	-	(495,000)	1,980,000	1,980,000
Indirectly	-	-	-	-	-	-
<b>Reinout Koopmans</b>						
Directly	866,250	-	-	(173,250)	693,000	693,000
Indirectly	-	-	-	-	-	-
<b>Rory Luff</b>						
Directly	866,250	-	-	(173,250)	693,000	693,000
Indirectly	-	-	-	-	-	-
<b>Hansjoerg Plaggemars</b>						
Directly	866,250	-	-	(173,250)	693,000	693,000
Indirectly	-	-	-	-	-	-
<b>Robert Van der Laan<sup>15</sup></b>						
Directly	-	-	-	-	-	-
Indirectly	-	-	-	-	-	-
<b>Len Jubber<sup>16</sup></b>						
Directly	-	-	-	-	-	-
Indirectly	-	-	-	-	-	-
<b>Jason Wilkinson</b>						
Directly	-	-	-	-	-	-
Indirectly	-	-	-	-	-	-
<b>Andrew Robertson</b>						
Directly	-	-	-	-	-	-
Indirectly	-	-	-	-	-	-
<b>Total</b>	<b>5,940,000</b>	<b>-</b>	<b>-</b>	<b>(1,881,000)</b>	<b>4,059,000</b>	<b>4,059,000</b>

<sup>13</sup> Appointed 7 September 2020.

<sup>14</sup> Resigned 25 September 2020.

<sup>15</sup> Appointed 25 September 2020; resigned 1 March 2021.

<sup>16</sup> Appointed 1 March 2021.



## REMUNERATION REPORT

The remuneration report, which will be audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The Board has introduced a significant change in the compensation structure this year. The rationale for this change has been to align the compensation structure of the company more closely to the strategy of the company, its shareholders' interests and existing market practice. Based on external advice, the Board has decided to offer a structured short-term incentive plan and long-term retention plan for senior and key executive team members and allocate long-term options to non-executive Board members

The short-term incentive plan consists of performance related bonus payments, based on the achievement of pre-agreed targets directly derived from the company's strategy, as communicated to the shareholders and the market in general. The long-term incentives consist of long term, high premium options with an initial vesting period.

These packages will be reassessed annually, based on compensation packages offered by comparable companies in Australia and around the world. While the compensation cycle historically follows the calendar year, the Board is considering to align this with the company's financial year.

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation

### **A Principle Used to Determine the Nature And Amount Of Remuneration**

#### **Remuneration Philosophy**

The performance of the company depends upon the quality of its directors and executive officers. To prosper, the company must attract, motivate and retain highly skilled directors and executive officers. The directors' remuneration is comparable to similar sized companies in the junior mining industry. There is no formal link between the consolidated entity's performance and the Directors' remuneration.

#### **Remuneration Committee Responsibilities**

The Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

#### **Incentive Plans**

Ultimately the shareholders approve any incentive plans however the Committee is to:

- (a) review and make recommendations concerning short-term and long-term incentive and retention compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated, the Committee will administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans;
- (b) ensure that incentive plans are designed around appropriate and realistic performance targets, either at an individual or company level, that measure relative performance and provide rewards when they are achieved; and
- (c) continually review and if necessary, improve any existing benefit programs established for employees.

#### **Authority and Resources**

The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration. The Committee may, when it considers it necessary or appropriate, obtain advice from external consultants or specialists in relation to remuneration related matters. In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate. The Committee engaged an external consultant during the year.

### Non-Executive Directors' Remuneration

The constitution of the Company provides for a maximum aggregate amount that may be paid to non-executive directors (referred to as a "non-executive director's remuneration pool") to be determined by shareholders at a general meeting. ASX requires the non-executive director's remuneration pool amount to be specified.

A maximum non-executive director's remuneration pool amount of A\$500,000 per annum was adopted at the 2016 General Meeting. The non-executive director's remuneration pool is a maximum and does not mean that non-executive directors will be paid a total of A\$500,000 per annum. In the first two years following listing the non-executive directors' remuneration pool is limited to no more than A\$160,000 per annum. The amount of each non-executive director's remuneration and allocations among non-executive directors within the pool limit are determined by the Committee, and the process of determining non-executive director's remuneration is subject to compliance with corporate governance policies. Payment to non-executive directors for specific services beyond the ordinary role of a non-executive director, such as consulting or professional services, are excluded from the total pool amount, as is reimbursement of expense. Any future change to the non-executive director's remuneration pool will require a further shareholder approval.

Non-executive directors are eligible to participate in the Company's Employee Security Ownership Plan, upon obtaining shareholder approval. During the financial year, non-executive directors were granted as detailed in the table below.

### Executive Remuneration

The company aims to reward its executives with a level and mix of remuneration commensurate with their position and responsibilities within the consolidated entity, so as to reward executives for meeting or exceeding targets set by reference to appropriate benchmarks; align the interests of executives with those of shareholders; and ensure remuneration is competitive by market standards.

It is the Company's remuneration policy that employment contracts must be entered into with the Chief Executive Officer and senior executives. The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and competitive in the market. Fixed remuneration is reviewed annually by the Committee as part of an assessment on that executive's performance. Although the Committee has access to external independent advice if necessary, no such advice was sought during the year.

A short-term variable incentive package was introduced in early 2021, based on the achievement of specific pre-agreed targets directly derived from the company's strategy.

### Employee Share Option Plan

An employee incentive scheme ("the Employee Share Option Plan" or "the plan") was adopted at the 4 May 2021 General Meeting. The purpose of the Employee Share Option Plan is to enable eligible directors, officers and employees (including executive and non-executive directors of the Company or its subsidiaries) to receive options to acquire shares in the Company.

The objective of the Employee Share Option Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Employee Share Option Plan and the future issue of Options under the Employee Share Option Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

No Directors or their associates can or will participate in the Employee Share Option Plan or receive any options unless and until further shareholder approval of specific issues to them is obtained.

The options granted under the Employee Share Option Plan are detailed above and below.

## B Details of Remuneration

Details of remuneration of the Directors and KMP of the Group (as defined by AASB 124 Related Party Disclosures) and specified executives are set out below:

	Year	Fixed				Security Based Payments			Total
		Salary, Fees and Leave	Other Fees	Super-annuation	Non-Monetary Payments	Shares	Options	Performance Rights	
		\$	\$	\$	\$	\$	\$	\$	\$
Ian Farmer <sup>17</sup>	2021	61,250	-	-	46,250	-	80,640	-	188,140
	2020	-	-	-	-	-	-	-	-
Patrick McManus <sup>18</sup>	2021	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
	2020	14,891	-	-	-	27,810	-	3,942	46,643
Reinout Koopmans	2021	56,375	-	-	27,750	-	4,125	3,633	91,883
	2020	17,609	-	-	-	-	14,689	3,942	36,240
Rory Luff	2021	21,000	-	-	27,750	-	9,000	3,633	61,383
	2020	16,000	-	-	-	-	14,000	3,942	33,942
Hansjoerg Plaggemars	2021	21,000	-	-	27,750	-	9,000	3,633	61,383
	2020	3,500	-	-	-	-	19,000	3,942	26,442
Robert Van der Laan <sup>19</sup>	2021	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
	2020	45,807	-	-	-	20,818	-	-	66,625
Len Jubber <sup>20</sup>	2021	13,333	-	-	27,750	-	32,000	-	73,083
	2020	-	-	-	-	-	-	-	-
<b>Total Non-Executive Directors</b>	2021	<b>172,958</b>	-	-	<b>157,250</b>	-	<b>134,765</b>	<b>10,899</b>	<b>475,872</b>
	2020	<b>97,807</b>	-	-	-	<b>48,628</b>	<b>47,689</b>	<b>15,768</b>	<b>209,892</b>
Chris Gilchrist	2021	297,500	-	-	62,500	-	26,250	10,381	396,631
	2020	297,500	-	-	-	-	52,500	11,262	361,262
<b>Total Executive Directors</b>	2021	<b>297,500</b>	-	-	<b>62,500</b>	-	<b>26,250</b>	<b>10,381</b>	<b>396,631</b>
	2020	<b>297,500</b>	-	-	-	-	<b>52,500</b>	<b>11,262</b>	<b>361,262</b>
Jason Wilkinson	2021	214,719	-	-	-	-	-	75,151	289,870
	2020	197,518	-	-	-	33,664	-	-	231,182
Andrew Robertson	2021	144,797	-	-	-	-	-	36,199	180,996
	2020	-	-	-	-	-	-	-	-
<b>Total Key Management Personnel</b>	2021	<b>359,516</b>	-	-	-	-	-	<b>111,350</b>	<b>470,866</b>
	2020	<b>197,518</b>	-	-	-	<b>33,664</b>	-	-	<b>231,182</b>

## C Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

### Managing Director

Dr Chris Gilchrist was appointed as Managing Director, effective on 28 February 2017. His revised Executive Services Agreement (effective 1 March 2021) involves the remuneration of AUD 300,000pa, a one-off back payment of AUD 17,500, the ability to participate in the Employee Share Option Plan and reimbursement of expenses. The transaction is considered to be on normal commercial terms and conditions no more favorable spell than those available to the other parties.

<sup>17</sup> Appointed 7 September 2020.

<sup>18</sup> Resigned 25 September 2020.

<sup>19</sup> Appointed 25 September 2020; resigned 1 March 2021.

<sup>20</sup> Appointed 1 March 2021.

### Chief Operations Officer

Mr Jason Wilkinson was appointed as Chief Operations Officer, effective on 15th June 2020. His original Employment Agreement (dated 27 December 2017) involves the remuneration of EURO 173,150 pa, the ability to participate in the Employee Share Option Plan, Bonus scheme and reimbursement of expenses. The transaction is considered to be on normal commercial terms and conditions no more favorable than those available to the other parties.

### Chief Financial Officer

Mr Andrew Roberson was appointed as Chief Financial Officer, effective on 17 May 2021. The Executive Services Contract involves the remuneration of GBP 80,000pa based on a 3-day week, the ability to participate in the Employee Share Option Plan, Bonus scheme and reimbursement of expenses. The transaction is considered to be on normal commercial terms and conditions no more favorable than those available to the other parties.

The Company has entered into agreements with its Non-Executive Directors.

Key management personnel have no entitlement to termination payments in the event of removal from misconduct.

### D Share Based Compensation

Performance based compensation during the year ended 30 June 2021 have been detailed for the Directors within the Remuneration and Service Agreements sections of the Remuneration Report.

The Performance Rights were granted in the last financial year (30 June 2020). All Performance Rights were granted over unissued fully paid ordinary shares in the Company. Performance Rights vest based on the following performance conditions:

#### Series C:

- The Company, within 24 months of date of issue, announces a JORC compliant measured/indicated resource of minimum 100Mt of at least 12% K<sub>2</sub>O

#### Series D:

- The Company, within 24 months of date of issue, announces a second JORC compliant measured/indicated resource of minimum 100Mt of at least 12% K<sub>2</sub>O

#### Series E:

- The Company, within 24 months of date of issue, announces a positive scoping study with an IRR of at least 25%

#### Series F:

- The Company, within 24 months of date of issue, announces a second positive scoping study with an IRR of at least 25%

#### Series G:

- The Company's share price reaches a 20-day VWAP of at least \$0.10 within 12 months of date of issue

#### Series H:

- The Company's share price reaches a 20-day VWAP of at least \$0.25 within 24 months of date of issue

#### Series I:

- The Company's share price reaches a 20-day VWAP of at least \$0.50 within 36 months of date of issue

#### Series J:

- The Company, within 36 months of date of issue, announces the completion of a preliminary feasibility study with an IRR of at least 25%

#### Series K:

- The Company, within 36 months of date of issue, announces the completion of a preliminary feasibility study with an IRR of at least 25%

The performance rights in each series above convert automatically upon achievement of the Hurdle applicable to that series any without payment of any consideration.

The Performance Rights lapse upon the recipient ceasing to be an officer or executive, subject to the discretion of the Board.

In addition, the Performance Rights will convert automatically to shares upon the occurrence of:

- An offeror under a takeover offer in respect of the Company's shares announcing that it has achieved acceptances in respect of more than 50% of the Company's shares and that takeover bid becoming conditional;
- A person (alone or in conjunction with their associates) acquiring voting power (within the meaning of section 610 of the Corporations Act) of more than 50% of the ordinary shares in the Company;
- The Company disposes of all or a substantial part of its assets or undertaking; or
- A Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme or arrangement for the reconstruction of the Company or its amalgamation with any other company or companies.

There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such Rights.

The movement during the reporting period in the number of ordinary shares of the Company held directly, indirectly or beneficially, by each Director or key management personnel, including their personally related entities is as follows:

Director	No. Shares Held at 30 June 2020	Share Based Payments	Exercise of Options	Other Changes	No. Shares Held at 30 June 2021	No. Shares Held at Date of this Report
<b>Ian Farmer<sup>21</sup></b>						
Directly	-	-	-	444,444	444,444	444,444
Indirectly	-	-	-	-	-	-
<b>Patrick McManus<sup>22</sup></b>						
Directly	-	-	-	-	-	-
Indirectly	-	-	-	698,556	698,556	-
<b>Chris Gilchrist</b>						
Directly	-	-	-	387,290	387,290	387,290
Indirectly	1,175,000	-	-	2,241,966	3,416,966	3,416,966
<b>Reinout Koopmans</b>						
Directly	-	-	-	761,008	761,008	761,008
Indirectly	-	-	-	2,655,423	2,655,423	2,655,423
<b>Rory Luff</b>						
Directly	-	-	-	-	-	-
Indirectly	13,731,282	-	-	12,568,220	26,299,502	26,299,502
<b>Hansjoerg Plaggemars</b>						
Directly	-	-	-	-	-	-
Indirectly	-	-	-	997,930	997,930	997,930
<b>Robert Van der Laan<sup>23</sup></b>						
Directly	30,000	-	-	-	30,000	N/A
Indirectly	3,575,607	-	-	2,854,120	6,429,727	N/A
<b>Len Jubber<sup>24</sup></b>						
Directly	-	-	-	-	-	-
Indirectly	-	-	-	100,000	100,000	100,000
<b>Jason Wilkinson</b>						
Directly	-	-	-	-	-	-
Indirectly	1,095,238	-	-	1,546,978	2,642,216	2,642,216
<b>Andrew Robertson</b>						
Directly	-	-	-	-	-	-
Indirectly	-	-	-	-	-	-
<b>Total</b>	<b>19,607,127</b>	<b>-</b>	<b>-</b>	<b>25,255,935</b>	<b>44,863,062</b>	<b>37,704,779</b>

<sup>21</sup> Appointed 7 September 2020.

<sup>22</sup> Resigned 25 September 2020.

<sup>23</sup> Appointed 25 September 2020; resigned 1 March 2021.

<sup>24</sup> Appointed 1 March 2021.

The following table sets out the details of options granted as remuneration during the year ended 30 June 2021:

	Exercise Price	Expiry Date	Grant Date	Granted as Remuneration	Fair Value per Option at Grant Date
<b>Non-Executive Directors</b>					
	\$0.08	01-Dec-24	02-Dec-20	3,500,000	\$0.08
	\$0.12	01-Dec-24	02-Dec-20	3,500,000	\$0.12
Ian Farmer <sup>25</sup>	\$0.203	27-May-26	27-May-21	1,250,000	\$0.20
Reinout Koopmans	\$0.203	27-May-26	27-May-21	750,000	\$0.20
Rory Luff	\$0.203	27-May-26	27-May-21	750,000	\$0.20
Hansjoerg Plaggemars	\$0.203	27-May-26	27-May-21	750,000	\$0.20
Robert Van der Laan <sup>26</sup>	N/A	N/A	N/A	-	\$Nil
Len Jubber <sup>27</sup>	\$Nil	27-May-25	27-May-21	1,000,000	\$0.00
	\$0.203	27-May-26	27-May-21	750,000	\$0.20
<b>Total Non-Executive Directors</b>				<b>12,250,000</b>	
<b>Executive Directors</b>					
Chris Gilchrist	\$0.203	27-May-26	27-May-21	1,477,741	\$0.20
<b>Total Executive Directors</b>				<b>1,477,741</b>	
<b>Key Management Personnel</b>					
Jason Wilkinson	\$0.203	27-May-26	27-May-21	740,365	\$0.20
Andrew Robertson	\$0.203	27-May-26	27-May-21	356,605	\$0.20
<b>Total Key Management Personnel</b>				<b>1,096,970</b>	
<b>Total</b>				<b>14,824,711</b>	

There were no other Director and KMP transactions.

**End of to be Audited Remuneration Report.**

<sup>25</sup> Appointed 7 September 2020.

<sup>26</sup> Appointed 25 September 2020; resigned 1 March 2021.

<sup>27</sup> Appointed 1 March 2021.



## Auditor's independence declaration

For personal use only

## Financial report

### General information

The financial report covers South Harz Potash Limited as a consolidated entity consisting of South Harz Potash Limited and the entities it controlled. The financial report is presented in Australian dollars, which is South Harz Potash Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration. South Harz Potash Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

Its registered office and principal place of business is:

Level 11  
216 St Georges Terrace Perth WA 6000 Australia (08) 9481 0389

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

# Statement of profit or loss and other comprehensive income for the year ended 30 June 2021

	Note	Consolidated 2021 \$	2020 \$
<b>Revenue from continuing operations</b>			
Other income	4	580	616
<b>Expenses</b>			
Administration and corporate expenses		(514,250)	(530,081)
Capitalised exploration expenditure written off	9	-	(160,228)
Director fees and consulting		(442,840)	(366,010)
Depreciation and amortisation expense		(575)	(745)
Investor relations		(24,368)	(74,334)
Foreign exchange loss		(11,318)	(44,652)
Consulting expenses		(438,361)	(263,237)
Occupancy costs		(9,200)	(29,400)
Remuneration (excluding share-based payment)		(352,513)	(246,605)
Share-based payment		(204,367)	(209,512)
<b>Loss before income tax expense</b>		<b>(1,997,212)</b>	<b>(1,924,188)</b>
Income tax expense	5	-	-
<b>Other comprehensive (loss) / income</b>			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation reserve		(82,266)	23,548
Other comprehensive income for the year, net of tax		<b>(82,266)</b>	<b>23,548</b>
<b>Total comprehensive loss for the year</b>		<b>(2,079,478)</b>	<b>(1,900,640)</b>
	Note	Consolidated 2021 \$	2020 \$
<b>Earnings per share for loss attributable to the owners of South Harz Potash Limited</b>			
Basic earnings per share	24	(0.68)	(1.18)
Diluted earnings per share	24	(0.68)	(1.18)

The financial statements should be read in conjunction with the accompanying notes.

## Statement of financial position as at 30 June 2021

	Note	Consolidated	
		2021	2020
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	8,236,749	142,069
Trade and other receivables	7	74,750	82,626
Monies held in trust - share application proceeds before cost	8(b)	-	100,000
Prepayments		32,831	22,090
<b>Total current assets</b>		<b>8,344,330</b>	<b>346,785</b>
<b>Non-current assets</b>			
Property, plant and equipment		6,433	-
Exploration and evaluation	9	3,276,579	3,182,060
<b>Total non-current assets</b>		<b>3,283,012</b>	<b>3,182,060</b>
<b>Total assets</b>		<b>11,627,342</b>	<b>3,528,845</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	8(a)	154,572	269,919
Share application funds	8(b)	-	100,000
<b>Total current liabilities</b>		<b>154,572</b>	<b>369,919</b>
<b>Total liabilities</b>		<b>154,572</b>	<b>369,919</b>
<b>Net assets</b>		<b>11,472,770</b>	<b>3,158,926</b>
<b>Equity</b>			
Issued capital	10	21,424,578	11,129,234
Reserves	11	297,142	281,430
Accumulated losses		(10,248,950)	(8,251,738)
<b>Total equity</b>		<b>11,472,770</b>	<b>3,158,926</b>

The financial statements should be read in conjunction with the accompanying notes

## Statement of changes in equity for the year ended 30 June 2021

	Contributed Equity \$	Performance Rights reserve \$	Option based payment reserve \$	Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
Balance as 1 July 2020	11,129,234	27,030	-	254,400	(8,251,738)	3,158,926
Loss after income tax expenses for the year	-	-	-	-	(1,997,212)	(1,997,212)
Other comprehensive income for the year, net of tax	-	-	-	(82,266)	-	(82,266)
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	(82,266)	(1,997,212)	(2,079,478)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	10,188,955	-	-	-	-	10,188,955
Share-based payments	106,389	17,338	80,640	-	-	204,367
<b>Balance at 30 June 2021</b>	<b>21,424,578</b>	<b>44,368</b>	<b>80,640</b>	<b>172,134</b>	<b>(10,248,950)</b>	<b>11,472,770</b>

	Contributed Equity \$	Performance Rights reserve \$	Option based payment reserve	Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
Balance as 1 July 2019	9,738,067	-	-	230,852	(6,327,550)	3,641,369
Loss after income tax expenses for the year	-	-	-	-	(1,924,188)	(1,924,188)
Other comprehensive income for the year, net of tax	-	-	-	23,548	-	23,548
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	23,548	(1,924,188)	(1,900,640)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	1,208,685	-	-	-	-	1,208,685
Share-based payments	182,482	27,030	-	-	-	209,512
<b>Balance at 30 June 2020</b>	<b>11,129,234</b>	<b>27,030</b>	-	<b>254,400</b>	<b>(8,251,738)</b>	<b>3,158,926</b>

The financial statements should be read in conjunction with the accompanying notes.

## Statement of cash flows for the year ended 30 June 2021

	Note	Consolidated	
		June 2021	June 2020
		\$	\$
<b>Cash flows from operating activities</b>			
Interest received		580	616
Receipts from customers		97,135	-
Payments to suppliers and employees		(1,996,880)	(1,416,501)
<b>Net cash used from operating activities</b>	<b>23</b>	<b>(1,899,165)</b>	<b>(1,415,885)</b>
<b>Cash flows from investing activities</b>			
Additions to Property, plant and Equipment		(7,006)	-
Payments for exploration and evaluation		(94,519)	(338,425)
<b>Net cash used in investing activities</b>		<b>(101,525)</b>	<b>(338,425)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		10,888,372	1,255,645
Payments for capital raising costs		(781,683)	(46,960)
<b>Net cash from financing activities</b>		<b>10,106,689</b>	<b>1,208,685</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>8,105,999</b>	<b>(545,625)</b>
Cash and cash equivalents at beginning of year		142,069	694,429
Effects of foreign exchange cash movements		(11,319)	(6,735)
<b>Cash and cash equivalents at end of the year</b>	<b>6</b>	<b>8,236,749</b>	<b>142,069</b>

The financial statements should be read in conjunction with the accompanying notes.

## Notes to the financial statements 30 June 2021

### Note 1. Significant accounting policies

The financial report covers South Harz Potash Limited as a consolidated entity consisting of South Harz Potash Limited and the entities it controlled. The financial report is presented in Australian dollars, which is South Harz Potash Limited's functional and presentation currency.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

#### *Conceptual Framework for Financial Reporting (Conceptual Framework)*

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

#### **Basis of preparation**

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

# Notes to the financial statements 30 June 2021

## Note 1. Significant accounting policies (continued)

### Material uncertainty related to going concern

The financial report has been prepared on the going-concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Consolidated Entity incurred an operating loss of \$1,997,212 (FY2020: loss \$1,924,188) and incurred negative cash flows from operations of \$1,899,165 (FY2020: 1,415,885).

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cash flow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern.

Based on the cash-flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate, given the following;

- The Consolidated entity has the ability to defer discretionary costs as and when required.
- In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Consolidated Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

### Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 19.

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of South Harz Potash Limited ('company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. South Harz Potash Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.



## Notes to the financial statements 30 June 2021

### Note 1. Significant accounting policies (continued)

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

#### Foreign currency translation

The financial statements are presented in Australian dollars, which is South Harz Potash Limited's functional and presentation currency.

#### *Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

#### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

#### Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

#### Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

## Notes to the financial statements 30 June 2021

### Note 1. Significant accounting policies (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

South Harz Potash Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

#### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

## Notes to the financial statements 30 June 2021

### Note 1. Significant accounting policies (continued)

Deferred tax assets and liabilities are always classified as non-current.

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

#### Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

#### Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

#### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

## Notes to the financial statements 30 June 2021

### Note 1. Significant accounting policies (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

#### Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	10 years
Plant and equipment	3-5 years

Residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

#### Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

#### Mining assets

Capitalised mining development costs include expenditures incurred to develop new ore bodies to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production. Mining development also includes costs transferred from exploration and evaluation phase once production commences in the area of interest.

Amortisation of mining development is computed by the units of production basis over the estimated proved and probable reserves. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. These reserves are amortised from the date on which production commences. The amortisation is calculated from recoverable proven and probable reserves and a predetermined percentage of the recoverable measured, indicated and inferred resource. This percentage is reviewed annually.

Restoration costs expected to be incurred are provided for as part of development phase that give rise to the need for restoration.

## Notes to the financial statements 30 June 2021

### Note 1. Significant accounting policies (continued)

#### Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

#### Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

#### Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

#### Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

#### Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

#### Employee benefits

##### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

## Notes to the financial statements 30 June 2021

### Note 1. Significant accounting policies (continued)

#### Other long-term employee benefits

The liability for annual leave and long service leaves not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

#### Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

All changes in the liability are recognised in profit or loss.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

# Notes to the financial statements 30 June 2021

## Note 1. Significant accounting policies (continued)

### Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

### Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

### Earnings per share

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of South Harz Potash Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.



## Notes to the financial statements 30 June 2021

### Note 1. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

#### **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity has not yet assessed the impact of these not yet mandatory new or amended Accounting Standards and Interpretations. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

#### *Share-based payment transactions*

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

#### *Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.



## Notes to the financial statements 30 June 2021

### Note 2. Critical accounting judgements, estimates and assumptions (continued)

#### *Fair value measurement hierarchy*

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

#### *Estimation of useful lives of assets*

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### *Income tax*

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

#### *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

#### *Exploration and evaluation costs*

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

### Note 3. Operating segments

#### *Identification of reportable operating segments*

The consolidated entity is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

# Notes to the financial statements 30 June 2021

## Note 4. Revenue

### Other revenue

Interest

Revenue from continuing operations

Consolidated	
2021	2020
\$	\$
580	616
<b>580</b>	<b>616</b>

## Note 5. Income tax expense

Prima facie tax benefit at the Australian tax rate of 30% (2020:27.5%)

Tax effect amounts which are not deductible/(taxable) in calculating taxable income;

Non-deductible expenses

Share based payments

Tax losses not brought into account

Income tax expense

Current tax expense

Deferred tax expense

Income tax expense

Tax assets not recognised at 30% (2020: 27.5%)

Unused tax losses for which no deferred tax asset has been recognised

Temporary differences

Potential tax benefit

Consolidated	
2021	2020
\$	\$
599,164	529,152
-	(22)
(61,310)	57,616
(537,854)	(586,746)
-	-
599,164	(586,746)
(599,164)	586,746
-	-
1,584,398	1,075,189
41,045	110,960
<b>1,625,443</b>	<b>1,186,149</b>

The above potential tax benefit for tax losses and temporary differences has not been recognised in the statement of financial position. Tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the similar business test is passed. The above potential tax benefit not recognised relates to activities from the Australian operations only

## Note 6. Current assets - cash and cash equivalents

Cash at bank

Consolidated	
2021	2020
\$	\$
8,236,749	142,069
<b>8,236,749</b>	<b>142,069</b>

## Note 7. Trade and other receivables

Rental bond

Other receivables

Consolidated	
2021	2020
\$	\$
-	46,298
74,750	36,328
<b>74,750</b>	<b>82,626</b>

## Notes to the financial statements 30 June 2021

### Note 8 (a). Trade and other payables

	Consolidated	
	2021	2020
	\$	\$
Trade and other payables	154,572	239,560
Accruals	-	30,359
	<b>154,572</b>	<b>269,919</b>

### Note 8 (b). Monies held in trust - share application proceeds before cost

The placement fund of \$100,000 were held as of 30 June 2020, these shares was issued on 30 July 2020 and this was approved by shareholder at general meeting held on 20 July 2020.

### Note 9. Non-current assets - exploration and evaluation

	Consolidated	
	2021	2020
	\$	\$
Exploration and evaluation - at cost	3,276,579	3,182,060
	<b>3,276,579</b>	<b>3,182,060</b>

Reconciliations at the beginning and end of the current and previous financial year are set out below:

	Exploration	Total
Consolidated	\$	\$
Balance at 1 July 2020	3,182,060	3,182,060
Additions	94,519	94,519
Expenditure written off	-	-
Balance at 30 June 2021	<b>3,276,579</b>	<b>3,276,579</b>
Balance at 1 July 2019	3,003,863	3,003,863
Additions	338,425	338,425
Expenditure written off	(160,228)	(160,228)
Balance at 30 June 2020	<b>3,182,060</b>	<b>3,182,060</b>

The ultimate recoupment of costs carried forward is dependent on the successful development and commercial exploitation or sale of the areas of interest. At the date of report, given the resources estimation on the projects, the management is confident that the company will be able to recover the capitalised exploration costs and no impairment required.

# Notes to the financial statements 30 June 2021

## Note 10. Equity - issued capital

	Consolidated		Consolidated	
	2021	2020	2021	2020
			\$	\$
Ordinary shares - fully paid	424,098,241	172,509,917	21,424,578	11,129,234
<b>Ordinary share capital</b>				
<b>Details</b>	<b>Date</b>	<b>No of shares</b>	<b>Issue Price</b>	<b>\$</b>
Balance		172,509,917	-	<b>11,129,234</b>
Issue of share placement	03-Jul-20	13,675,000	0.040	547,000
Issue of share placement	30-Jul-20	10,867,632	0.043	469,828
Issue of share placement*	02-Dec-20	17,541,668	0.040	785,000
Issue of share placement	25-Jan-21	39,774,547	0.050	1,988,727
Issue of share placement***	27-Jan-21	148,333,322	0.046	6,823,333
Issue of share placement	19-Feb-21	20,444,450	0.050	1,022,223
Issue of share placement	25-Mar-21	62,500	0.080	5,000
Issue of share placement	13-Apr-21	289,744	0.080	23,180
Issue of share placement	27-May-21	599,461	0.080	47,956
Cost of capital raising				(1,416,903)
Balance	30-Jun-21	<b>424,098,241</b>		<b>21,424,578</b>
Balance	1-Jul-19	143,137,413	-	9,738,067
Issue of share placement	11-Sep-19	21,280,838	0.042	893,795
Issue of share-based payment	11-Sep-19	571,428	0.042	24,000
Issue of share placement director shares	11-Dec-19	1,770,238	0.042	74,350
Issue of share placement	24-Apr-20	5,750,000	0.050	287,500
Shares to be issued	30-Jun-20	-		182,482
Cost of capital raising				(70,960)
Balance	30-Jun-20	<b>172,509,917</b>		<b>11,129,234</b>

\*16,666,668 ordinary fully paid shares issued to DELPHI Unternehmensberatung, the Company's corporate advisor, as part of a placement and 875,000 ordinary shares to Chris Gilchrist (Gilchrist Mining Ltd), Reinout Koopmans, and Patrick McManus as part of a placement.

\*\*\* Directors and executives participated in a salary sacrifice share plan. Under this plan, directors and executives sacrifice 30% of their fee toward shares each month. The share price is determined by market using 5 days VWAP calculation from the service date. The above-mentioned shares were issued on 30 July 2020 and issue of these shares were approved by shareholders at a general meeting held on 20 July 2020.

## Note 11. Equity - reserves

	Consolidated	
	2021	2020
	\$	\$
Foreign currency translation reserve	172,134	254,400
Performance rights reserve	125,008	27,030
	<b>297,142</b>	<b>281,430</b>

## Note 12. Equity - Options

Set out below are details of options on issue:

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Other	Issued in year	Expired / exercised in the year	Balance at the end of	
19-Jan-17	20-Jan-20	\$0.25	6,158,000	-		(6,158,000)	-	
11-Sep-18	31-Jul-23	\$0.20	33,221,680	-	-	-	33,221,680	[1]
09-Nov-18	09-Nov-23	\$0.20	7,500,000	-	-	-	7,500,000	[2]
10-Jan-18	09-May-21	\$0.08	3,000,000	-	(3,000,000)	-	-	[3]
20-Dec-18	31-Jul-23	\$0.20	1,142,857	-	-	-	1,142,857	[1]
10-Sep-19	31-Jul-23	\$0.20	10,926,133	-	-	-	10,926,133	[1]
12-Dec-19	31-Jul-23	\$0.20	885,119	-	-	-	885,119	[1]
02-Dec-20	02-Dec-24	\$0.08	-	-	3,500,000	-	3,500,000	[4]
02-Dec-20	02-Dec-24	\$0.12	-	-	3,500,000	-	3,500,000	[4]
02-Dec-20	02-Dec-22	\$0.08	-	-	8,333,334	-	8,333,334	[1]
25-Jan-21	25-Jan-23	\$0.08	-	-	102,111,112	(951,705)	101,159,407	[2]
25-Jan-21	25-Jan-24	\$0.06	-	-	8,333,334	-	8,333,334	[3]
25-Jan-21	25-Jan-24	\$0.09	-	-	8,333,333	-	8,333,333	[3]
25-Jan-21	25-Jan-24	\$0.11	-	-	8,333,333	-	8,333,333	[3]
27-May-21	27-May-26	\$0.20	-	-	6,824,711	-	6,824,711	[4]
27-May-21	27-May-25	\$0.00	-	-	1,000,000	-	1,000,000	[4]

[1] Free attaching options

[2] Options issued to lead manager (unlisted)

[3] Options issued to broker for broking fees

[4] Director options

These options were approved by shareholders at the annual general meeting held on 14 November 2018.

## Notes to the financial statements 30 June 2021

### Note 13. Share-based payments

#### Performance Rights

An Employee Security Ownership Plan was established by the Company and approved by shareholders at a general meeting held in September 2016, whereby the Company may grant rights over ordinary shares in the Company to Directors and Officers of the consolidated entity.

Set out below are summaries of Performance Rights granted, reversed and expired under the plan:

Type	Expiry date	Balance 30 Jun 20	Cancelled / Expired	Balance 30 Jun 21	Fair Value \$	Probability of Vesting	Expensed \$
Series C	20/12/2021	772,202	(112,613)	659,589	12,532	40%	4,883
Series D	20/12/2021	415,798	(60,637)	355,161	3,552	20%	1,384
Series E	20/12/2021	594,000	(86,625)	507,375	5,074	20%	1,977
Series F	20/12/2021	594,000	(86,625)	507,375	2,537	10%	988
Series G	20/12/2020	1,188,000	(1,188,000)	-	-	0%	-
Series H	20/12/2021	594,000	(86,625)	507,375	9,640	40%	3,756
Series I	20/12/2022	297,002	(43,313)	253,689	4,820	20%	1,878
Series J	20/12/2022	890,998	(129,937)	761,061	3,805	10%	1,483
Series K	20/12/2022	594,000	(86,625)	507,375	2,537	10%	989
		<b>5,940,000</b>	<b>(1,881,000)</b>	<b>4,059,000</b>	<b>44,497</b>		<b>17,338</b>

All Rights were granted over unissued fully paid ordinary shares in the company. Rights vest based on the following performance conditions:

#### Series B (expired)

- The Company, within 24 months of the date of issue and subject to satisfaction of the First Hurdle, completing drilling of two (2) holes intersecting the potash horizon of the South Harz project (Second Hurdle).

#### Series C:

- The Company, within 24 months of date of issue, announces a JORC compliant measured/indicated resource of minimum 100Mt of at least 12% K<sub>2</sub>O

#### Series D:

- The Company, within 24 months of date of issue, announces a second JORC compliant measured/indicated resource of minimum 100Mt of at least 12% K<sub>2</sub>O.

#### Series E:

- The Company, within 24 months of date of issue, announces a positive scoping study with an IRR of at least 25%.

#### Series F:

- The Company, within 24 months of date of issue, announces a second positive scoping study with an IRR of at least 25%.

#### Series G:

- The Company's share price reaches a 20-day VWAP of at least \$0.10 within 12 months of date of issue.

## Notes to the financial statements 30 June 2021

### Note 13. Share-based payments (continued)

Series H:

- The Company's share price reaches a 20-day VWAP of at least \$0.25 within 24 months of date of issue.

Series I:

- The Company's share price reaches a 20-day VWAP of at least \$0.50 within 36 months of date of issue.

Series J:

- The Company, within 36 months of date of issue, announces the completion of a preliminary feasibility study with an IRR of at least 25%.

Series K:

- The Company, within 36 months of date of issue, announces the completion of a preliminary feasibility study with an IRR of at least 25%.

The performance rights in each series above convert automatically upon achievement of the Hurdle applicable to that series without payment of any consideration.

The Performance Rights lapse upon the recipient ceasing to be an officer or executive, subject to the discretion of the Board.

In addition, the Performance Rights will convert automatically to shares upon the occurrence of prescribed events. For the Performance Rights granted during the current financial year, the fair value at the grant date per Right was based on the volume weighted average share price (VWAP) for the 5 business days prior to the grant date.

### Note 14. Financial instruments

#### Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. Derivatives are not used as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, ageing analysis for credit risk.

Risk management is carried out under policies approved by the Board of Directors ('Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

#### Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature.

#### Foreign currency risk

Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the consolidated entity holds financial instruments

## Notes to the financial statements 30 June 2021

which are other than the AUD functional currency of the Group. The consolidated entity is not subject to foreign currency risk as they have foreign currency account. We do not expect significant impact to the consolidated entity.

Consolidated group	2021		2020	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
<b>Financial assets</b>				
Financial assets at amortised cost:				
Cash and cash equivalents	8,236,749	8,236,749	142,069	142,069
Trade and other receivables:	74,750	74,750	82,626	82,626
Monies held in trust	-	-	100,000	100,000
<b>Total financial assets</b>	<b>8,311,499</b>	<b>8,311,499</b>	<b>324,695</b>	<b>324,695</b>
Financial liabilities at amortised costs:				
Trade and other payables	154,572	154,572	269,919	269,919
Share application funds	-	-	100,000	100,000
<b>Total financial liabilities</b>	<b>154,572</b>	<b>154,572</b>	<b>369,919</b>	<b>369,919</b>

### Note 15. Key management personnel disclosures

#### Directors

The following persons were directors of South Harz Potash Limited during the financial year:

- Mr Patrick McManus – resigned 25 September 2020.
- Dr Chris Gilchrist
- Mr Rory Luff
- Mr Reinout Koopmans – appointed as Chairman 07 May 2020 and resigned as Chairman 07 September 2020.
- Mr Hansjoerg Plaggemars – appointed 01 October 2019.
- Mr Ian Farmer – appointed 07 September 2020.
- Mr Robert Van der Laan – appointed 25 September 2020 and resigned 1 March 2021.
- Len Jubber -- appointed 1 March 2021

#### Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the 2021 financial year:

- Mr Ian Farmer
- Dr Chris Gilchrist

#### Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2021 \$	2020 \$
Short-term employee benefits	881,201	592,825
Share-based payments	204,367	209,511
	<b>1,085,568</b>	<b>802,336</b>



## Notes to the financial statements 30 June 2021

### Note 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the company:

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Audit Fee – BDO	27,000	-
Audit or review of the financial statements (Walker Wayland)	27,600	31,950
Other audit services	-	-
	<b>54,600</b>	<b>31,950</b>

### Note 17. Contingent liabilities

There are no contingent liabilities as at 30 June 2021.

### Note 18. Commitments

There are no commitments as at 30 June 2021.

### Note 19. Legal parent entity information

Set out below is the supplementary information about the parent entity:

Statement of profit or loss and other comprehensive income

	<b>Parent</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	1,424,068	1,442,871
Total comprehensive loss	<b>1,424,068</b>	<b>1,442,871</b>

#### Statement of financial position

	<b>Parent</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Total current assets	7,707,808	322,553
<b>Total assets</b>	<b>13,360,286</b>	<b>4,581,549</b>
Total current liabilities	60,651	251,168
<b>Total liabilities</b>	<b>60,651</b>	<b>251,168</b>
<b>Net Assets</b>	<b>13,299,635</b>	<b>4,330,381</b>
Equity		
Issued capital	19,641,560	9,346,217
Reserves	125,008	27,030
Accumulated losses	(6,466,933)	(5,042,866)
<b>Total equity</b>	<b>13,299,635</b>	<b>4,330,381</b>

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment

# Notes to the financial statements 30 June 2021

## Note 20. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name of entity	Country of incorporation	Equity holding	
		2021 %	2020 %
South Harz Potash (Australia) Pty Ltd	Australia	100.00	100.00
Südharz Kali GmbH	Germany	100.00	100.00

Effective 9 January 2017, the Company acquired 100% of the issued capital of South Harz Potash (Australia) Pty Ltd, completed a capital raising of \$5.11 million (before costs) at 20 cents per share and listed on the Australian Stock Exchange ("ASX") on 20 January 2017. South Harz Potash (Australia) Pty Ltd holds two exploration licenses in Germany, together with three mining licenses, in the region referred to as the South Harz Project through a wholly owned and controlled German subsidiary.

On 28 May 2020, East Exploration GmbH changed its name to Südharz Kali GmbH.

On 04 May 2021, East Exploration Pty Ltd changed its name to South Harz Potash (Australia) Pty Ltd.

## Note 21. Events after the reporting period

Landowner and Tenant agreements were contractually entered into in order to allow drilling at two sites in Ohmgebirge license area subject to permits which have been applied for.

## Note 22. Related party transactions

There were no related party transactions incurred during the year.

## Note 23. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	June 2021	June 2020
	\$	\$
<b>Cash flows from operating activities</b>		
(Loss) / profit for the financial year	(1,997,212)	(1,924,188)
Capitalized expenditure written off	-	160,228
Share based payment – other	204,367	209,512
FX loss/(gain) on currency translation	11,318	16,121
Amortization/ depreciation	575	745
<b>Adjustments for:</b>		
Decrease in trade and other receivables	107,875	7,081
(Increase) in prepayments	(10,741)	15,328
(Decrease) in trade and other payables	(215,347)	99,288
<b>Net cash used from operating activities</b>	<b>(1,899,165)</b>	<b>(1,415,885)</b>

## Notes to the financial statements 30 June 2021

### Note 24. Earnings per share

	Consolidated	
	2021	2020
	\$	\$
Loss after income tax attributable to the owners	(1,997,212)	(1,924,188)
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	293,884,639	162,794,740
Basic earnings per share	(0.68)	(1.18)
Diluted earnings per share	(0.68)	(1.18)

### Note 25. Other matters

There have been no major other matters subsequent to the reporting date.

## Directors' declaration

1. In accordance with a resolution of the directors of South Harz Potash Limited, the directors of the Company declare that:
  - a) the consolidated financial statements and notes, as set out on pages 26 to 52 and the Remuneration report In on pages 14 to 22 in the Directors' report, are in accordance with the Corporations Act 2001 including:
    - i. giving a true and fair view of the Consolidated Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
    - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
  - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. the directors have been given the declarations required by s 295A of the Corporations Act 2001 from the Chief Financial Officer.
3. The directors draw attention to Note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors

Chris Gilchrist  
30 September 2021

## INDEPENDENT AUDITOR'S REPORT

For personal use only

For personal use only

For personal use only

## Tenements

Tenement	Location	Beneficial Holding
Ebeleben	South Harz, Thüringen, Germany	100%
Mühlhausen-Nohra	South Harz, Thüringen, Germany	100%
Ohmgebirge	South Harz, Thüringen, Germany	100%
Küllstedt	South Harz, Thüringen, Germany	100%
Gräfentonna	South Harz, Thüringen, Germany	100%

## Shareholder information

The following additional information was applicable as at 13 September 2021.

Holder	Securities	% of Ordinary Shares Issued
DELPHI Unternehmensberatung	33,861,906	7.98%
Rory Luff	26,299,502	6.20%
The Trust Company (Australia) Ltd <MOF A/C>	21,500,000	5.07%

### Distribution of Shareholders

Range	Holders	Securities	% of Ordinary Shares Issued
1 - 1,000	223	37,506	0.01%
1,001 - 5,000	123	316,241	0.07%
5,001 - 10,000	161	1,325,567	0.31%
10,001 - 100,000	478	22,738,554	5.36%
Over 100,000	333	399,680,373	94.24%
<b>Total</b>	<b>1,318</b>	<b>424,098,241</b>	<b>100.00%</b>



## 20 Largest Fully Paid Ordinary Share holders

	Holder	Securities	% of Ordinary Shares Issued
1	DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	33,861,906	7.98%
2	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	21,500,000	5.07%
3	ITA NOMINEES PTY LTD	18,280,980	4.31%
4	OCEANIC CAPITAL PTY LTD	15,350,000	3.62%
5	LUFGAN NOMINEES PTY LTD	14,579,967	3.44%
6	CITICORP NOMINEES PTY LIMITED	11,273,043	2.66%
7	REDLAND PLAINS PTY LTD <BRIAN BERNARD RODAN S/F A/C>	10,623,000	2.50%
8	LIONS BAY CAPITAL INC	10,150,000	2.39%
9	PAYZONE PTY LTD <ST BARNABAS SUPER A/C>	10,000,000	2.36%
10	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	9,724,450	2.29%
11	ST BARNABAS INVESTMENTS PTY LTD <THE MELVISTA FAMILY A/C>	9,500,000	2.24%
12	CLIFFWAY PTY LTD <JOHN H POYNTON SUPER A/C>	8,000,000	1.89%
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,865,839	1.85%
14	R L HOLDINGS PTY LTD <AIRLIE A/C>	6,657,094	1.57%
15	DIXTRU PTY LIMITED	6,375,000	1.50%
16	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	5,000,000	1.18%
17	AWD CONSULTANTS PTY LTD	5,000,000	1.18%
18	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	4,707,753	1.11%
19	MR OWEN BARRY MERRETT & MRS JOANNE ROSS MERRETT <MERRETT SUPER FUND A/C>	4,200,000	0.99%
20	MELBOURNE CAPITAL PTY LTD	4,000,000	0.94%
<b>20 Largest Holders</b>		<b>216,649,032</b>	<b>51.08%</b>

## Voting Rights

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

## B. OPTIONS (ASX: SHPO) – exercisable at \$0.20 each, expiring 31st July 2023

## Distribution of Option holders

Range	Holders	Securities	% of Options Issued
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	1	7,139	0.02%
10,001 - 100,000	41	2,378,565	5.15%
Over 100,000	63	43,790,085	94.83%
<b>Total</b>	<b>105</b>	<b>46,175,789</b>	<b>100.00%</b>

## Shareholder information (continued)

## 20 Largest Quoted Option Holders

	Holder	Securities	% of Ordinary Shares Issued
1	DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	10,047,619	21.76%
2	PAYZONE PTY LTD <ST BARNABAS SUPER A/C>	4,250,425	9.20%
3	ST BARNABAS INVESTMENTS PTY LTD <THE MELVISTA FAMILY A/C>	4,050,425	8.77%
4	OCEANIC CAPITAL PTY LTD	1,875,000	4.06%
5	REDLAND PLAINS PTY LTD <BRIAN BERNARD RODAN S/F A/C>	1,428,600	3.09%
6	ITA NOMINEES PTY LTD	1,428,571	3.09%
7	MR JOHN CAMPBELL SMYTH & DR ANN NOVELLO HOGARTH <SMYTH SUPER A/C>	1,000,000	2.17%
7	DIXTRU PTY LIMITED	1,000,000	2.17%
8	MR SAMUEL PHILIP HEWITT BOTTEN & MS ALICE ELIZABETH DUNSTONE <BOTTEN SUPERFUND A/C>	910,000	1.97%
9	KINGS PARK INVESTMENTS (WA) PTY LTD <VISTA FAMILY A/C>	750,000	1.62%
10	MRS PATRICIA HAIGH	731,455	1.58%
11	MR DAVID IAN RAYMOND HALL & MRS DENISE ALLISON HALL	675,000	1.46%
12	POOKY CORPORATION PTY LTD <K L CHRISTENSEN SUPER A/C>	647,500	1.40%
13	CLARIDEN CAPITAL PTY LTD	600,000	1.30%
14	GILCHRIST MINING LIMITED	587,500	1.27%
15	ARBOR SUPER PTY LTD <ARBOR CENTRE SUPER FUND A/C>	550,000	1.19%
16	BUCKLAND CAPITAL PTY LTD <D MILLAR S/F A/C>	500,000	1.08%
16	CAVES ROAD INVESTMENTS PTY LTD	500,000	1.08%
16	MR WILLIAM HENRY HERNSTADT	500,000	1.08%
16	MRS ADEL ALBERTA MICHAEL	500,000	1.08%
16	GOLD VAULT INTERNATIONAL PTY LTD	500,000	1.08%
17	BUCKMINSTER INVESTMENTS PTY LTD <BUCKMINSTER SUPER FUND A/C>	457,000	0.99%
18	MR DANNY MURPHY & MRS SUSAN MURPHY <DANNY MURPHY SUPER FUND A/C>	437,500	0.95%
19	SIESTA HOLDINGS PTY LTD <AVENUE A/C>	403,263	0.87%
20	MR OWEN BARRY MERRETT & MRS JOANNE ROSS MERRETT <MERRETT SUPER FUND A/C>	400,000	0.87%
20	MR OLIVER NIKOLOVSKI <THE NIKOLOVSKI FAMILY A/C>	400,000	0.87%
20	HIGHSCENE INVESTMENTS PTY LTD <STALTARI SUPER FUND A/C>	400,000	0.87%
20	VAMOS TRADING PTY LTD	400,000	0.87%
	<b>Total</b>	<b>35,929,858</b>	<b>77.81%</b>

The options have no voting rights.

## Shareholder information (continued)

### UNQUOTED SECURITIES

#### **A. Options expiring 11th September 2023**

- i. There are 7,500,000 options on issue, exercisable at 20 cents per share and expiring on 11th September 2023. The options have no voting rights.
- ii. Zenix Nominees Pty Ltd holds all the options in this class.

#### **B. Options expiring 31st July 2023**

- i. There are 3,700,000 options on issue, exercisable at 7.5 cents per share and expiring on 31st July 2023. The options have no voting rights.
- ii. Free-attaching options to the placement.

#### **C. Options expiring 2nd December 2024**

- i. There are 3,500,000 options on issue, exercisable at 8 cents per share and 3,500,000 options on issue, exercisable at 12 cents per share and expiring on 2nd December 2024. The options have no voting rights

#### **D. Options expiring 2nd December 2022**

- i. There are 8,333,334 options on issue, exercisable at 8 cents per share and expiring on 2nd December 2022. The options have no voting rights.
- ii. Free-attaching options to the placement.

#### **E. Options expiring 25th January 2023**

- i. There are 101,159,407 options on issue, exercisable at 8 cents per share and expiring on 25th January 2023. The options have no voting rights.
- ii. Free-attaching options to the placement.

#### **F. Options expiring 25th January 2024**

- i. There are 8,333,334 options on issue, exercisable at 6.75 cents per share, 8,333,333 options on issue, exercisable at 9 cents per share and 83,333,333 options on issue, exercisable at 11.25 cents per share and expiring on 25th January 2024. The options have no voting rights

#### **G. Options expiring 27th May 2026**

- i. There are 6,824,711 options on issue, exercisable at 20.3 cents per share and expiring on 27th May 2026. The options have no voting rights.

#### **H. Options expiring 27th May 2025**

- i. There are 1,000,000 options on issue, exercisable at 0 cents per share and expiring on 27th May 2025. The options have no voting rights.

#### **I. Options expiring 5th August 2026**

- i. There are 192,069 options on issue, exercisable at 15.11 cents per share and expiring on 5th August 2026. The options have no voting rights

## Notes to the financial statements 30 June 2021

### J. Performance Rights

- 1) Series C-K Performance Rights issued on 20th December 2019.
  - i. There are total of 4,059,000 Series C-K Performance Rights on issue. The Performance Rights have no voting rights.
  - ii. The Performance Rights were granted under the Company's Employee Security Ownership Plan.
- 2) Distribution of Performance Rights holders

Range	Holders	Securities	% of C-K Performance Rights Issued
Over 100,000	4	4,059,000	100.00%
<b>Total</b>	<b>4</b>	<b>4,059,000</b>	<b>100.00%</b>

### **OTHER ASX LISTING RULES INFORMATION**

- i. The name of the Company Secretary is Amanda Wilton-Heald.
- ii. The registered office and principal place of business is:  
Level 11, 216 St Georges Terrace, Perth, WA 6000  
Tel: +61 (8) 9481 0389
- iii. The Company's registers of securities are held at:  
Automatic Registry Services Pty Ltd  
Level 2, 267 St Georges Terrace, Perth, WA 6000  
Tel: +61 (8) 9324 2099
- iv. There is no current on-market buy-back.
- v. The Company's Corporate Governance Statement is available on the Company's website at:  
[www.southharzpotash.com](http://www.southharzpotash.com).